



STATE BOARD OF EQUALIZATION

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Controller, Sacramento

BURTON W. OLIVER  
Executive Director

No. 95/49

September 1, 1995

TO COUNTY ASSESSORS

OPEN-SPACE LAND ASSESSED UNDER SECTIONS 423, 423.5, AND 426  
OF THE REVENUE AND TAXATION CODE  
INTEREST COMPONENT - 1996 LIEN DATE

In accordance with Section 423(b) of the Revenue and Taxation Code, the Board is required to announce, no later than September 1, an interest component of the capitalization rate to be used in the valuation of lands assessed under Sections 423, 423.5, and 426

Section 423(b)(1)(D) provides that the interest component shall be:

"For the 1996-97 assessment year, the arithmetic mean, rounded to the nearest 1/4 percent, of the yield rate for long-term United States government bonds, as most recently published by the Federal Reserve Board, and the corresponding yield rates for those bonds, as most recently published by the Federal Reserve Board as of each September 1 immediately prior to the 1993-94 and 1994-95, and 1995-1996 assessment years "

Information received from the Federal Reserve Board indicated the yield rates were 7.36 percent as of August 24, 1992, 6.13 percent as of August 30, 1993, 7.52 percent as of August 26, 1994, and 6.85 as of August 25, 1995. The arithmetic mean of 7.36, 6.13, 7.52, and 6.85 is 6.97 percent. When the arithmetic mean is rounded to the nearest one-quarter percent, the interest component is 7.00 percent.

Sincerely,

John W. Hagerty  
Deputy Director  
Property Taxes Department

JWH/ro